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Paper No. 26

CORPORATE PATS. & TRADEMARKS,
THE UPJOHN COMPANY
KALAMAZOO MI 49001

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MAY 12 2004

OFFICE OF PETITIONS

In re Application of	:	
Mahendra I. Amin et al.	:	
Application No. 07/312,401	:	
Patent No. 4,902,683	:	DECISION ON PETITION UNDER
Filed: February 17, 1989	:	37 C.F.R. §1.378(b)
Issue Date: February 20, 1990	:	
Attorney Docket No.: 4121FW1	:	
Title: CRYSTALLINE CEPHALOSPORIN	:	
HYDROHALIDE SALTS	:	

This is a decision on the petition filed April 9, 2004, pursuant to 37 C.F.R. §1.378(b)¹ to revive the above-identified patent which has expired for failure to submit the 11½ year maintenance fee.

The patent issued February 20, 1990. The grace period for paying the 11½ year maintenance fee provided in 37 CFR 1.362(e) expired at midnight on February 20, 2002, with no payment received. Accordingly, the patent expired on February 20, 2002.

It is noted that a 460 day extension of the patent term from February 20, 2007, pursuant to 35 U.S.C. §156, was granted on July 15, 1998.

With the instant petition, Petitioner has submitted the required 11½ year maintenance fee, as well as the surcharge associated with the unavoidably late submission of a maintenance fee after

¹ Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. §1.378(b) must include:

- (1) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (2) The surcharge set forth in 37 C.F.R. §1.20(i)(1), and;
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

expiration.

As such, Petitioner has met requirements (1) and (2) above. Regarding the third requirement, see the discussion below.

The standard

35 U.S.C. §41(c)(1) states:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay² is shown to the satisfaction of the Director to have been unavoidable.

§1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 37 C.F.R. §1.137(a). This is a very stringent standard. Decisions on reviving abandoned applications on the basis of “unavoidable” delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word ‘unavoidable’ ... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business³.

In addition, decisions are made on a “case-by-case basis, taking all the facts and circumstances into account.”⁴ Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was “unavoidable.”⁵

An adequate showing that the delay in payment of the maintenance fee at issue was “unavoidable” within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 C.F.R. §1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

The general question asked by the Office is: “Did petitioner act as a reasonable and prudent person in relation to his most important business⁶?”

² This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. §1.378(b).

³ *In re Mattullath*, 38 App. D.C. 497, 514-15 (1912)(quoting *Ex parte Pratt*, 1887 Dec. Comm’r Pat. 31, 32-33 (1887)); see also *Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), *aff’d*, 143 U.S.P.Q. 172 (D.C. Cir. 1963); *Ex parte Henrich*, 1913 Dec. Comm’r Pat. 139, 141 (1913).

⁴ *Smith v. Mossinghoff*, 671 F.2d at 538, 213 U.S.P.Q. at 982.

⁵ *Haines*, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

Nonawareness of a PTO rule will not constitute unavoidable delay⁷

The burden of showing the cause of the delay is on the person seeking to revive the application⁸.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay.

Such a showing should identify the specific error⁹, the individual who made the error, and the business routine in place for performing the action which resulted in the error. The showing must establish that the individual who erred was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. The showing should include information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (1) the error was the cause of the delay at issue¹⁰,
- (2) a business routine was in place for performing the clerical function that could reasonably be relied upon to avoid errors in its performance, and;
- (3) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

See MPEP 711.03(c)(III)(C)(2).

⁶ See In re Mattulah, 38 App. D.C. 497 (D.C. Cir. 1912).

⁷ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay)). Although court decisions have only addressed the issue of lack of knowledge of an attorney, there is no reason to expect a different result due to lack of knowledge on the part of a pro se (one who prosecutes on his own) applicant. It would be inequitable for a court to determine that a client who spends his hard earned money on an attorney who happens not to know a specific rule should be held to a higher standard than a pro se applicant who makes (or is forced to make) the decision to file the application without the assistance of counsel.

⁸ Id.

⁹ Petitioner must identify the error which caused the delay. If the specific error cannot be identified, the petitioner must identify any and all possible causes and prove that any of them, if they were the true cause, constitute unavoidable delay. A full and complete discussion for each possible error must be presented. A full and complete discussion of each possible error must be presented. Petitioner is reminded that petitioner has the burden of proof.

¹⁰ Petitioner must identify the error which caused the delay. If the specific error cannot be identified, the petitioner must identify any and all possible causes and prove that any of them, if they were the true cause, constitute unavoidable delay. A full and complete discussion for each possible error must be presented. A full and complete discussion of each possible error must be presented. Petitioner is reminded that petitioner has the burden of proof.

An adequate showing should include (when relevant):

- (1) statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them;
- (2) a thorough explanation of the docketing and call-up system in use;
- (3) identification of the type of records kept;
- (4) identification of the persons responsible for the maintenance of the system;
- (5) copies of mail ledger, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing;
- (6) include an indication as to why the system failed in this instance, and;
- (7) information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable"¹¹.

The portions of the MPEP relevant to the facts as presented

1415.01 Maintenance Fees on the Original Patent

The filing of a reissue application does not alter the schedule of payments of maintenance fees on the original patent. If maintenance fees have not been paid on the original patent as required by 35 U.S.C. 41(b) and 37 CFR 1.20, and the patent has expired, no reissue patent can be granted. 35 U.S.C. 251, first paragraph, only authorizes the granting of a reissue patent for the unexpired term of the original patent. Once a patent has expired, the Commissioner no longer has the authority under 35 U.S.C. 251 to reissue the patent. See In re Morgan, 990 F.2d 1230, 26 USPQ2d 1392 (Fed. Cir. 1993).

2504 Patents Subject to Maintenance Fees

37 CFR 1.362. Time for payment of maintenance fees.

- (a) Maintenance fees as set forth in § 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.
- (b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.
- (c) The application filing dates for purposes of payment of maintenance fees are as follows:
 - (1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
 - (2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.
 - (3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
 - (4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on

¹¹ Haines, 673 F. Supp. at 314, 316-17; 5 USPQ2d at 1131-32.

- which the patent reissued is based.
- (5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.
 - (d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:
 - (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
 - (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
 - (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.
 - (e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:
 - (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
 - (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
 - (3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.
 - (f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.
 - (g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.
 - (h) The periods specified in § 1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

Maintenance fees are required to be paid on all patents based on applications filed on or after December 12, 1980, except for plant patents and design patents. Furthermore, maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees. Application filing dates for purposes of determining whether a patent is subject to payment of maintenance fees are as follows:

- (A) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
- (B) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119(a)-(d), the actual United States filing date of the application.
- (C) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
- (D) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original nonreissue application on which the patent reissued is based.
- (E) For an international application that has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.

2506 Times for Submitting Maintenance Fee Payments

37 CFR 1.362(d) sets forth the time periods when the maintenance fees for a utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. 41(b). The window periods are (1) 3 years to 3 1/2 years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 1/2 years after the date of issue for the second maintenance fee payment, and (3) 11 years to 11 1/2 years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months,

or 11 years and 6 months after grant of the patent. 37 CFR 1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 1/2 years and through the day of the 4th anniversary of the grant of the patent, (2) 7 1/2 years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 1/2 years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring. Maintenance fees for a reissue patent are due based upon the schedule established for the original utility patent. The filing of a request for ex parte or inter partes reexamination and/or the publication of a reexamination certificate does not alter the schedule of maintenance fee payments of the original patent. If the day for paying a maintenance fee falls on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee may be paid on the next succeeding day that is not a Saturday, Sunday, or Federal holiday. For example, if the window period for paying a maintenance fee without a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid without surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. Likewise, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid with surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. In the latter situation, the failure to pay the maintenance fee and surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia will result in the patent expiring on a date (4, 8, or 12 years after the date of grant) earlier than the last date on which the maintenance fee and surcharge could be paid. This situation results from the provisions of 35 U.S.C. 21, but those provisions do not extend the expiration date of the patent if the maintenance fee and any required surcharge are not paid when required. For example, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, the maintenance fee and surcharge could be paid on the next succeeding business day, e.g., Monday, but the patent will have expired at midnight on Saturday if the maintenance fee and surcharge were not paid on the following Monday. Therefore, if the maintenance fee and any applicable surcharge are not paid, the patent will expire as of the end of the grace period as listed above. A patent that expires for failure of payment will expire on the anniversary date the patent was granted in the 4th, 8th, or 12th year after the grant.

2575 Notices

Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Office.

Application of the standard to the current facts and circumstances

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge.

Petitioner has not made an adequate showing that the failure to pay the maintenance fee was unavoidable, given the exercise of due care. The period for paying the 11 1/2 year maintenance fee without the surcharge extended from February 20, 2001 to August 20, 2001, and for paying with the surcharge from August 21, 2001 to February 20, 2002. Thus, the delay in paying the 11 1/2 year maintenance fee extended from February 20, 2002 to the filing of the instant petition on April 9, 2004.

Petitioner has set forth that the purported assignee (there is no showing in the Patent Office records that the instant patent was assigned to the Upjohn Company) employed the services of an outside company to provide reminders as to when maintenance fees were due (PC Master), and that there was a misunderstanding as to how to deal with the fact that a patent term extension was received. This misunderstanding resulted in an incorrect entry into a database, which resulted in PC Master's failure to submit the 11½ year maintenance fee.

Petitioner has submitted an affidavit from Ms. Julie Lyons, who is a paralegal who is employed by the purported assignee. Ms. Lyons has set forth that she was told by PC Master that if a patent term extension had been received, it was appropriate to enter a "j" in the "case type" field of the PC Master-supplied software. After the patent went abandoned for failure to submit the 11½ year maintenance fee, the affiant was told by her supervisor at Upjohn that the proper course of action was to have created a new record, place a "j" in the appropriate field, and leave the original record unmodified. As such, Ms. Lyons asserts that she was given incorrect information from PC Master, and this misinformation resulted in the abandonment of the patent.

Petitioner's submission has been considered, and has been deemed to be unpersuasive, for the reasons which follow.

First, Petitioner has not revealed that the error was the cause of the delay at issue. Ms. Lyon sets forth that the software company told her one thing, and her supervisor told her something completely different. Nowhere is it set forth that she followed up with the company to ensure that her supervisor's opinion on how to run the computer program was correct. Furthermore, no statement from a PC Master representative has been provided. A statement to the effect that the method utilized by Miss Lyons would fail to apprise PC Master that a maintenance fee was due would be beneficial to Petitioner's cause.

Secondly, Ms. Lyon's training with this system has not been revealed, and as such, there is no way for the Patent Office to determine whether she was sufficiently trained and experienced with regard to the function and routine for its performance, such that reliance upon Ms. Lyon represented the exercise of due care. Surely the method of dealing with a patent term extension should have been covered in her training. If not, and the paralegal was forced to call the software provider and seek advice from unnamed parties, perhaps her training was insufficient? It follows that if her training was insufficient, reliance on her was not reasonable.

Third, a statement from Ms. Lyon's supervisor, Ms. Tucker, has been provided, yet the statement of Ms. Tucker does not address the conflicting treatment of the "j" entry. This seems odd, since the incorrect entry of the "j" designation is asserted to be the sole reason why this patent went abandoned. As such, although a statement from Ms. Tucker has been provided, it does not appear to be complete.

Fourth, it is not clear if any other Upjohn employees had access to this PC Master program, or if Ms. Lyon was the only employee charged with the duty of ensuring that all appropriate entries were made into the system.

Fifth, no copy of the system (i.e. a print-out of the screen which shows the requisite "j" in the improper column) has been provided.

Finally, no statement has been proffered as to the degree of supervision of Ms. Lyon's work, examples of other work functions carried out by her, and checks on her described work which were used to assure proper execution of assigned tasks. Regarding this final point, if Ms. Lyon's supervisor was aware that the proper way to deal with an extension was to make a new record, it is not clear why Ms. Lyon was allowed to make the "j" entry if her work was being supervised by Ms. Tucker.

CONCLUSION

In view thereof, the petition is **DISMISSED**.

Any response must be filed within **TWO MONTHS** of the mailing date of this decision, and entitled "Renewed Petition under 37 C.F.R. §1.378(e)." Any such petition for reconsideration must be accompanied by the \$130 petition fee set forth in §1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. Accordingly, on request for reconsideration, it is **extremely important** that petitioner supply **any** and **all** relevant information and documentation in order to meet his burden of showing unavoidable delay. This includes statements by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Petitioner will note that the standard associated with the filing of a petition under the "unavoidable" standard is very high, and as such, he must submit a convincing argument with all documentation attached.

If on renewed petition, the delayed payment of the maintenance fee is not accepted, then the maintenance fee is subject to refund following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. (Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section, Commissioner for Patents, Washington DC 20231. A copy of the last decision rendered should accompany the request for refund).

The reply to this letter may be submitted by mail¹², hand-delivery¹³, or facsimile¹⁴.

The reply should display "Please deliver to Paul Shanoski, c/o Office of Petitions" in a prominent manner. The Petitioner may wish to consider telephoning the undersigned at the number provided below to confirm that the documents were delivered to the undersigned. Please note that the delivery process within the PTO can take as much as three weeks.

It is noted that the address listed on the petition differs from the Fee Address of record. The application file does not indicate a change of correspondence address has been filed in this case,

¹² Mail Stop Petition, Commissioner for Patents, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA, 22313-1450.

¹³ Customer Window, Mail Stop Petition, Crystal Plaza Two, Lobby, Room 1B03, Arlington, Virginia 22202.

¹⁴ (703) 872-9306 - please note this is a central facsimile number, and as such, there will be a delay in the delivery of the facsimile to the undersigned.

although the address given on the petition differs from the address of record. If petitioner desires to receive future correspondence regarding this application, the change of correspondence address must be submitted. A courtesy copy of this decision will be mailed to petitioner. However, all future correspondence will be directed to the address of record until such time as appropriate instructions are received to the contrary. Petitioner will not receive future correspondence related to maintenance fees unless a Fee Address Indication Form (PTO/SB/47) is submitted for the above-identified application. For petitioner's convenience, a blank Fee Address Indication Form (PTO/SB/47) may be found at <http://www.uspto.gov/web/forms/sb0047.pdf>¹⁵.

It is not apparent whether the person signing the statement of unintentional delay was in a position to have firsthand or direct knowledge of the facts and circumstances of the delay at issue. Nevertheless, such statement is being treated as having been made as the result of a reasonable inquiry into the facts and circumstances of such delay¹⁶. In the event that such an inquiry has not been made, petitioner must make such an inquiry. If such inquiry results in the discovery that the delay in paying the maintenance fee under 37 CFR 1.378(c) was intentional, petitioner must notify the Office.

The application file will be retained in the Office of Petitions for two (2) months.

Telephone inquiries regarding this decision should be directed to the undersigned at (703) 305-0011.



Paul Shanoski
Senior Attorney
Office of Petitions
United States Patent and Trademark Office

cc: Donald Zuhn
McDonnell Boehnen Hulbert & Berghoff
300 South Wacker Drive
Chicago, IL 60606

¹⁵ In order to effectuate a change in the fee address, a customer number may be required. If petitioner needs to obtain a customer number, one may be obtained by the submission of PTO form PTO/SB/125A, which may be located at <http://www.uspto.gov/web/forms/sb0125.pdf>.

¹⁶ See 37 CFR 10.18(b); cf. Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131, 53178 (October 10, 1997), 1203 Off. Gaz. Pat. Office 63, 103 (October 21, 1997).